

A SOLE SOURCE PROCUREMENT

Department: DC Department of Health
Parties: HIV/AIDS, Hepatitis, STD, TB Administration
Community Health Administration
Proposed Contract No.: PENDING
Proposed Contractor: Affiliated Computer Services (ACS) – Pharmacy Services
Caption: HAHSTA – ADAP Pharmacy Suite Applications
HIPPA Compliant Standard System

1. AUTHORIZATION:

D.C. Official Code §2-354.04, 27 DCMR 1304 and 1702

2. MINIMUM NEED:

The Government of the District of Columbia Department of Health, thru the Community Health Administration (CHA) and the HIV/AIDS, Hepatitis, STD, TB Administration (HAHSTA) seek a contractor to serve as the pharmacy benefits manager (PBM) to provide and administer a point of sale (POS) pharmacy system to support all pharmacy benefit services for eligible District Aids Drug Assistance Program (ADAP) beneficiaries and provide pharmacy support services for the agencies.

A Point-of-Sale prospective DUR claims processing system is required to provide pharmaceutical support services; to include accepting and adjudicating

District of Columbia HAHSTA ADAP prescription claims in the NCPDP 5.1, or the latest version, HIPAA standard format to address all forms of claims submissions. The needed system should have performed extensive certification with all major commercial switch vendors and the majority of practice management systems in the market to ensure compliance with the NCPDP 5.1 standard. The vendor should maintain compliance with all subsequent NCPDP versions, as well. The vendor should address the National Provider Identifier (NPI) requirement and all other legacy requirements in a system that runs 24 hours a day, 7 days a week, 365 days a year (with scheduled maintenance). The vendor must accept claims through on-line submission at the point of sale through established telecommunications connectivity with all the major commercial switch vendors including —NDC, and QS1; batch (NCPDP 1.1 HIPAA standard) through use of FTP or NDM and accept claims submission on diskette and CD.

The required pharmacy suite of applications must be compatible and comparable to the existing pharmacy suite of applications currently utilized by the DOH HAHSTA ADAP program, and the applications must be compliant with 45 CFR Part 162 HIPAA Administrative Simplification: Standard Unique Health Identifier for Health Care Providers requirements.

The vendor must have the capability to develop the necessary systems requirements, system construction and testing, and implement the applicable pharmacy suite of applications and their respective operations including the Point of Sale (POS) Pharmacy system, formulary management, formulary maintenance, HIV cost (DOD pricing) systems and DOH Pharmaceutical Warehouse reports and other essential program requirements.

Pharmacy PBM services for HAHSTA are required for ongoing daily fulfillment of beneficiary services in the ADAP program; the total cost of providing the required services through a known vendor is ultimately less costly to the District than purchasing a complete suite of required PBM services from a new bidder. This justification for services is required to:

- A. Prevent a health emergency in the District HIV population
- B. Provide continuity of care for ADAP prescription services
- C. Provide continuity of care for District Medicaid HIV clients
- D. Provide time sensitive services essential for daily program operations
- E. Provide continuity for pharmacy providers servicing District HIV clients
- F. Provide continuity for procurement and distribution of required HIV and related medications
- G. Maintain cost containment measures in the DC HIV Program

AFFILIATED COMPUTER SERVICES (ACS) is the Pharmacy Benefit Manager (PBM) currently being utilized by the DHCF Medicaid Division to process pharmacy claims in the Medicaid HIV Program. A contractual agreement for the same HIV Program management service already exists between HAHSTA and DHCF. This means that the basic protocols and requirements for the HAHSTA ADAP program are already established and being used daily in the ACS system.

3. ESTIMATED REASONABLE COST: \$808,000.00.

PERIOD OF PERFORMANCE: DATE OF AWARD THROUGH TWELVE (12) MONTHS THEREAFTER.

4. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:

The DC Department of Health HIV/AIDS Hepatitis, STD, TB Administration (HAHSTA) Aids Drug Assistance Program (ADAP) provides pharmaceutical assistance to eligible District residents pursuant to the authority set forth in the Ryan White Treatment Modernization Act of 2006, Part B (Applicable Document #5). The District receives grant funds to provide medications to treat HIV disease. This program is authorized by Title 47, Section 300ff-26 of the U.S. Code (Applicable Document #8).

Pharmacy services are currently being provided under contractual agreement by a Contractor with a centralized pharmacy network of 24 independent pharmacy providers. These pharmacy providers dispense anti-retroviral and other approved HIV-related medications to eligible District residents living with HIV and enrolled in a qualifying DOH program. The prescription claims processing and other required agency service requirements are provided through the Contractor's PBM as a part of the contractual agreement. This current Contractor, HAHSTA ADAP and DHCF Medicaid HIV Program work to provide prescription services to eligible District residents. AFFILIATED COMPUTER SERVICES (ACS) is the Pharmacy Benefit Manager (PBM) currently being utilized by the DHCF Medicaid Division to process pharmacy claims for their Medicaid HIV Program in this contract

A option year for this contract agreement is being exercised with the existing Contractor with council approval.. An expanded HIV pharmacy program is being established to provide the same program services for DOH HAHSTA and DHCF. With the discontinuation of the contracted services and in order to administer the HIV programs, DOH will need a dedicated PBM to deliver the comprehensive suite of required pharmacy services.

The pharmacy suite of applications needed include, but not limited to the following:

- ADAP Formulary Management
- Point-of-sale claims adjudication with HIV drug cost incorporations
- Prospective/retrospective drug utilization management
- Automated prior authorization and contact management system
- Pharmacy service provider network administration
- Replenishment report for the DOH Pharmaceutical Warehouse
- Monthly Pricing Reports
- Ad hoc agency report requirements

DOH is also required to ensure that all applicable PBM systems comply with established regulations and applicable systems licensure and standards. This also involves the capability to interface with the District's Income Maintenance System and the DHCF Medicaid applications currently in use to determine and/or verify client eligibility for the appropriate HIV program.

The basic protocols and requirements for the HAHSTA ADAP program are already established and are currently being provided in a separate contract with HAHSTA for their ongoing Aids Drug Assistance Program. The required pharmacy suite of applications corresponds to the HAHSTA ADAP requirements, but may require some enhanced configurations to accommodate specific modifications for program continuity.

In addition the economic justification for the sole source procurement of AFFILIATED COMPUTER SERVICES (ACS) services is based on the fact that ACS currently administers the DC Medicaid HIV Program and the ADAP program for the state of Maryland and several other states. Considerable time and money would be saved in implementing an HIV/AIDS, ADAP specific system through AFFILIATED COMPUTER SERVICES (ACS) because the program basics would not have to be newly designed and configured.

Design, configuration and implementation of a new pharmacy claims processing system including transition services with a new vendor can have initial costs of over a \$1 million. The use of a new

vendor for the required PBM services could also result in incompatibility with existing conditions; and/or require considerable training, time and money.

A competitive sealed procurement process for this most important clinical initiative at this time would cause a major disruption in much needed services; would have an impact on service providers and District beneficiaries currently participating in the program and would threaten continuity of care for HIV/AIDS clients receiving medications through this contract. AFFILIATED COMPUTER SERVICES (ACS) has provided ADAP services for DC Medicaid clients for the past seven years.

For the reasons provided above and in consideration of the DC DOH need to expeditiously procure an appropriate pharmacy system or face potentially negative programmatic and financial consequences, it is both necessary and in the best interest of the District to procure the needed services utilizing the sole source method of procurement.

5. CERTIFICATION OF FINDINGS BY AGENCY DIRECTOR AND CONTRACTING OFFICER

I have reviewed the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify that the notice of intent to award a sole source contract was published in accordance with 27 DCMR 1304 and that [no response was received] [the response received was rejected because _____]. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Mohammad N. Akhter, M.D., MPH
Director Department of Health

Date

Paula Isaacs
Contracting Officer

Date

DETERMINATION

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under either Section 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.02 or 2-354.03). Accordingly, I determine that the District is justified in using the sole source method of procurement.

James D. Staton, Jr
Chief Procurement Officer

Date